CompuGroup Medical AG

Financial Report
1 January – 30 June 2015

Synchronizing Healthcare

CompuGroup Medical

Contents

Key Events and Figures

- Second quarter revenue of EUR 138.1 million, an increase of 9 percent compared to the same period in 2014
- Organic growth of 4 percent
- Operating profit (EBITDA) of EUR 29.7million, up from EUR 23.3 million last year
- Operating margin of 21 percent, up from 18 percent last year
- Positive developement in hospital business with strong order intake
- Market position in Germany strengthened through the acquisition of Stock Informatik
- 2015 guidance reaffirmed

EUR ´000	01.04 - 30.06 2015	01.04 - 30.06 2014	Change	01.01 - 30.06 2015	01.01 - 30.06 2014	Change
Revenue	138,145	126,344	9%	270,482	248,411	8%
EBITDA	29,684	23,288	22%	58,186	45,254	29%
margin	*21%*	*18%*		*22%*	*18%*	
EBITA	27,830	21,277	24%	54,439	41,302	32%
margin	*20%*	*17%*		*20%*	*17%*	
EPS (EUR)	0.08	0.13		0.50	0.23	
Cash net income (EUR)*	11,711	13,561		40,721	25,547	
Cash net income per share (EUR)	0.24	0.27	13%	0.82	0.51	117%
Cash flow from operating activities	-726	3,386		42,583	43,573	
Cash flow from investing activities	-9,400	-11,701		-33,769	-42,347	
of which equity acquisitions	-4,206	-3,023		-22,353	-26,574	
Number of shares outstanding (‘000)	49,724	49,724		49,724	49,724	
Net debt	343,416	315,724		343,413	315,724	

* Cash net income: net income before minority interests plus amortization of intangible assets except amortization on in-house capitalized software.

Management report

THE CGM GROUP

CompuGroup Medical AG Group (CGM) develops and sells efficiency- and quality-enhancing software as well as information technology services exclusively for the healthcare sector. The company plays a leading role in the development of global e-health solutions and enjoys market leadership in Germany as well as in other key European countries. CGM's software products and related services are designed to support all medical and organizational activities in doctors' offices, medical laboratories, pharmacies, hospitals and other provider organizations. Its information services for health insurance companies and pharmaceutical producers contribute towards safer and more efficient healthcare. The company's services are based on a unique customer base of doctors, dentists, hospitals and pharmacies, as well as other service providers in healthcare.

CGM is currently represented with offices and employees in 19 countries. According to internal figures, CGM has software maintenance contracts in the HPS I segment (AIS and PCS) corresponding to approximately 250,000 healthcare professionals (doctors, dentists and pharmacists). Total reach across all segments is estimated at approximately 400,000 healthcare professionals.

The Group had an average of 3,976 full-time equivalent employees during the second quarter of 2015 (previous year: 3,949).

COURSE OF BUSINESS

The following sections describe the main operational developments during the second quarter of 2015.

Ambulatory Information Systems

The doctor and dental software business in Europe had a flat organic year-on-year revenue development in the second quarter. The Telematics Infrastructure and Electronic Health Card (eGK) pilot project in Germany recognized lower revenue compared to the same period last year and outside of this project the European AIS business recorded 4 percent organic growth.

In the United States, the revenue side of the business has reached a turning point following the transition to a more subscription based business model and the ending of some legacy product lines during 2014. In local currency, revenue increased sequentially from USD 11.0 million in the first quarter 2015 to USD 11.1 million in the second quarter. Due to the significant strengthening of the US dollar, reported revenue in the US grew 15 percent from EUR 8.8 million in the second quarter 2014 to EUR 10.1 million in the same period this year.

Telematics Infrastructure and Electronic Health Card (eGK)

At the Hauptstadtkongress in Berlin in June, CGM showed live for the second time the insured master data update (VSDM) based on the eGK. With an official real-life demonstration of all required hardware and software components fully functional, CGM shows its readiness for a successful rollout to test the Telematics Infrastructure in the pilot region North / West. One of the key hardware components to be developed and delivered by the CGM consortium in the pilot project, the so-called 'Konnektor' router, has been delivered in the required quantities to the project customer according to agreed milestones and is already undergoing the prescribed external testing and certification procedures. CGM has already recruited all required doctors, dentists and hospitals to participate in the pilot and is now waiting for the decision of the project customer (gematik) to start the field trial before end of 2015.

The Telematics Infrastructure is a long-term growth opportunity for CGM and the pilot project is only the second stage in a transformation to a significantly higher revenue opportunity. With a potential full rollout (est. begin 2016) CGM has the opportunity to sell new eGK-compliant online access products to all existing customers in Germany: ~44,200 doctors offices (69,400 doctors), ~15,000 dentists offices (19,800 dentists), ~4,000 pharmacies (8,000 pharmacists), ~100 hospitals, ~300 rehabilitation centers and ~550 social care institutions. Even more important; the Telematik Infrastructure fits perfectly with CGMs strategy to provide more products and services to its customers, such as eServices, ePrescriptions, eLabOrder, physician networks, online clinical pathways, hosting services etc.

Partnership with the Weston Group, USA

In May, CGM US and The Weston Group, Inc., a comprehensive rehabilitation services company headquartered in Pennsylvania, USA, announced a multi-year, multi-million dollar partnership agreement. Based on the agreement, CGM and The Weston Group, Inc. will collaborate to develop a customized set of modules to meet workflow and reporting requirements, specific to the delivery of rehabilitation services. This set of modules will significantly expand the functionality within CGM's web-based electronic health record solution and will facilitate the complete alignment of care provided by The Weston Group across multiple locations nationwide. These services include Physical Therapy, Occupational Therapy, Speech Therapy, Hospice Care, Home Healthcare as well as Alcohol and Drug (A&D) Rehabilitation. The Weston Group, Inc. also offers a full line of post-acute ancillary services and Accountable Care Organization (ACO) services.

Through its partnership with CGM, The Weston Group, Inc. will have access to a broad range of Revenue Cycle Management (RCM) solutions. By leveraging CGM's RCM solutions, The Weston Group, Inc. will establish firm control over the long-term solvency of its diverse services. Optimized for interoperability and superior care coordination, CGM webEHR will support a provider base that is spread across more than 350 locations nationwide.

Acquisition of Stock Informatik GmbH & Co. KG, Germany

In May, CompuGroup Medical Deutschland AG, a 100 percent owned subsidiary of CGM AG, acquired the company „Stock Informatik GmbH & Co. KG" headquartered in Fröndenberg/Ruhr. Stock Informatik is the market leader for software services in occupational medicine, preventative medicine and occupational safety in Germany. The company's comprehensive software suite supports companies in the prevention and active care regarding the health of their employees and is used in numerous institutions ranging from clinics and businesses to major corporations. As a European specialist, Stock Informatik also offers its solutions in Switzerland and Austria. The total turnover of Stock Informatik was in 2014 approx. EUR 3.0 million with an EBITDA of EUR 0.9 million.

Pharmacy Information Systems

The pharmacy software business continued the year with 4 percent year-on-year organic growth in the second quarter 2015 and a further 19 percent growth contribution from the new companies in Italy which were acquired in July and September 2014 (farma-3tec, Mondofarma and Puntofarma). A new add-on product „CGM METIS" is an important growth driver in the German market for 2015. CGM METIS is a business intelligence solution that supports pharmacies, branches and branch networks in all key business decisions. Whether purchasing, inventory , sales, marketing or staff - with CGM METIS pharmacist are not only fully informed, they are also provided in-depth analyzes and forecasts which put them in a position to control the pharmacy optimally in all areas.

Hospital Information Systems

The hospital segment has developed strongly in the second quarter 2015 with 13 percent year-on-year organic growth. It is especially the market in Poland that contributes to the high growth rate driven by a larger CGM participation in the on-going national e-health project there. The Polish government is investing millions of Euros in the project to improve patient healthcare. Starting in 2014, Poland began to implement a comprehensive web-based electronic patient record (EPR). The National Centre for Health Information Systems (CSIOZ), a Polish Ministry of Health entity that is involved in the development of an e-health environment for the country, awarded a contract to Hewlett Packard (HP) to develop and deploy a digital portal for collecting, analyzing and sharing digital health records across Poland. CGM Poland acts as a sub-contractor to HP and to other companies working for the CSIOZ digital portal project.

In Switzerland, significant resources continue to be allocated to delivery projects for early adopters of the new software generation "G3" from CGM. The extraordinary efforts to ensure a successful deployment and commissioning with the second G3 hospital customers will continue also in the following quarters in 2015.

New major contract won in Austria

CGM was in June awarded the contract for the implementation and delivery of a comprehensive new hospital information system for the five regional hospitals of the Vorarlberg Hospital Betriebs GmbH (KHBG) in Austria. The project start is expected to be in September 2015 and the implementation of the complete solution is planned for a 3-year period until autumn 2018.

The new system will serve as the leading data hub for all five hospitals and will incorporate several clinical subsystems. A system for surgical planning, management and documentation will be delivered as an integrated functional module. The electronic communication of relevant ELGA documents will be implemented based on the relevant standards. Electronic charting and electronic medication administration, documentation and decision support will replace the existing paper-based arrangements. Ten departments so far have also signed up to use CGM's mobile solutions to support the medical and nursing staff during outpatient work. An oncology expert system completes the list of main requirements. The new IT system will be provided centrally from the data center LKH Feldkirch serving all locations.

To fulfill this broad set of requirements, KHBG chose CGM's "MPA" as the market leading hospital information system in Austria. This integrated, process-oriented software supports the control and documentation of all relevant medical and nursing processes in hospitals. In addition, KHBG will also benefit from the evolutionary product strategy of CGM based on G3. Step by step, new innovative G3 modules are integrated with MPA so that existing modules can be replaced over time by the successor modules of the new product generation. This gives the KHBG the best of both worlds; both a proven and stable solution fully adapted to the local environment and a gradual evolution of a tailor-made modular system based on the latest technology that can be flexibly expanded and adjusted.

Focusing of the German HIS business

The add-on modules in areas of accounting, controlling and business intelligence (Rechnungswesen & Controlling – 'REWE') as well as document management software / electronic archiving solutions (Document Management Solutions – 'DMS') were sold to a strategic buyer in December 2014. Beginning in 2015, the new product owner of REWE and DMS will maintain the current products and in parallel develop a new product generation based on web-technology to offer the CGM customers.

Communication & Data

The Communication & Data business shows 9 percent organic growth in the second quarter. The positive development is a result from an increased number of projects in medical value communication for originator companies (e. g. vaccination reminders, genetic classification of patients, drug safety alerts, value tracking for stroke risk patients etc.).

Workflow & Decision Support

The Workflow & Decision Support business shows -7 percent organic revenue contraction in the second quarter. Several projects which contributed to revenue in 2014, such as the cooperation between CGM and Microsoft on mobile healthcare applications and the development of an electronic invoicing solution for privately insured patients together with IBM, were not replaced or followed-up this year. Some new workflow & decision support contracts have also been signed, but the pace of such new business is slow with long sales and implementation cycles.

Internet Service Provider

The Internet Service Provider business shows 2 percent organic growth in the second quarter. The Telematics Infrastructure and Electronic Health Card (eGK) pilot project in Germany recognized lower revenue compared to the same period last year and outside of this project the ISP business recorded 24 percent organic growth. The positive development is a result from more value added services to the existing ISP customers both in Germany and in France. Overall, the development of the ISP business is positive with many growth opportunities ahead, especially in Germany.

RESULTS OF GROUP OPERATIONS

Unless stated otherwise, all figures in the management report refer to the second quarter of 2015 and 2014 respectively, i. e.the three month period 01.04 – 30.06 (Q2).

Revenue

Revenue in the second quarter of 2015 was EUR 138.1 million compared to EUR 126.3 million in the same period last year. This corresponds to 9 percent growth. Acquisitions give a 5 percent contribution to growth and organic growth was 4 percent (2 percent at constant exchange rates).

In the HPS I segment, second quarter revenue was EUR 103.2 million compared to EUR 92.5 million in 2014. This corresponds to 12 percent growth. Acquisitions contribute EUR 8.4 million to revenue and organic growth was 2 percent (1 percent at constant exchange rates). Second quarter revenue in Ambulatory Information Systems (AIS) was EUR 80.5 million compared to EUR 73.9 million in 2014. This corresponds to 9 percent growth of which organic growth was 2 percent (flat at constant exchange rates). Second quarter revenue in Pharmacy Information Systems (PCS) was EUR 22.8 million compared to EUR 18.6 million in 2014. This represents 23 percent growth of which 4 percent is organic growth.

HPS I revenue development (including acquisitions and exchange rate effects):

EUR m	01.04-30.06 2015	01.04-30.06 2014	Change	01.01-30.06 2015	01.01-30.06 2014	Change
Ambulatory Information Systems	80.5	73.9	9%	158.9	145.9	9%
Pharmacy Information Systems	22.8	18.6	23%	44.8	36.8	22%
SUM	103.2	92.5	12%	203.7	182.7	12%

In the HPS II segment, the year-on-year revenue growth in Hospital Information Systems (HIS) was 6 percent going from the second quarter 2014 to 2015. Adjusted for the revenue related to the REWE/DMS product areas, which were sold in 2014, the organic growth was 13 percent (12 percent at constant exchange rates).

HPS II revenue development (including acquisitions and exchange rate effects):

EUR m	01.04-30.06 2015	01.04-30.06 2014	Change	01.01-30.06 2015	01.01-30.06 2014	Change
Hospital Information Systems	19.8	18.7	6%	36.9	36.6	1%
SUM	19.8	18.7	6%	36.9	36.6	1%

In the HCS segment, revenue was EUR 15.0 million in the second quarter 2015 which is unchanged compared to the same period last year.

HCS revenue development (including acquisitions and exchange rate effects):

EUR m	01.04-30.06 2015	01.04-30.06 2014	Change	01.01-30.06 2015	01.01-30.06 2014	Change
Communication & Data	5.2	4.8	9%	10.3	9.6	7%
Workflow & Decision Support	5.9	6.3	-7%	11.9	12.9	-8%
Internet Service Provider	3.9	3.8	2%	7.6	6.4	18%
SUM	15.0	15.0	0%	29.8	29.0	3%

Changes to currency exchange rates increased Group revenue by EUR 1.9 million going from the second quarter of 2014 to the second quarter of 2015.

Profit

Overall, the second quarter net income and EPS are heavily influenced by non-cash financial charges due to changes in currency exchange rates as well as adjustments to the expected tax rate for 2015 booked in the period.

In terms of operating profit consolidated EBITDA amounted to EUR 29.7 million compared to EUR 23.3 million in the second quarter of 2014. The corresponding operating margin was 21.5 percent compared to 18.4 percent in 2014. The main developments in operating expenses were:

+ Expenses for goods and services increased EUR 7.1 million year-on-year with a gross margin of 79% percent, which is 4 percent higher than in the second quarter last year. This change is mainly driven by external research and development expenses related to the Telematics Infrastructure and Electronic Health Card (eGK) pilot project in Germany.
+ Personnel expenses are up 1 percent from last year at EUR 63.5 million (second quarter 2014: 62.8 million). In relationship to revenue, personnel expenses have dropped from 50 percent in the second quarter last year to 46 percent this year. This efficiency improvement is consistent with the restructuring measures performed in 2014 and also the main driver behind the improved Group profitability.
+ Other expenses are EUR 1.5 million lower than last year at EUR 19.4 million (second quarter 2014: 20.9 million). This change is mostly related to a one-off expense recognized in the second quarter last year related to a final earn-out payment for the purchase of minorities in CGM Lab AB.

Depreciation of tangible fixed assets in the second quarter is mostly unchanged from last year at EUR 1.9 million. Amortization of intangible fixed assets went from EUR 8.0 million in 2014 to EUR 8.6 million in 2015. This is primarily driven by the amortization of intangible assets related to companies acquired during the last 12 months as well as adjustments to the useful life of intangible assets and changes in foreign exchange rates.

Financial income decreased from EUR -0.3 million in the second quarter 2014 to EUR -3.6 million this year due largely to changes in currency exchange rates which lead to non-cash translation losses on Group internal debt, thus reversing some of the gains recognized during the first quarter.

The financial expense remains stable at EUR 4.1 million in the second quarter 2015 and is composed of the following items:

EUR m	01.04 - 30.06 2015	01.04 - 30.06 2014	01.01 - 30.06 2015	01.01 - 30.06 2014
Interest and expenses on syndicated loan facility	3.9	5.2	7.6	9.5
Changes in purchase price liabilities	0.2	-0.9	0.4	-0.3
Translation loss on non-Euro internal debt	0.3	0.0	0.6	0.9
Calculated interest on assets and construction (IAS 23)	-0.3	-0.2	-0.6	-0.5
SUM	4.1	4.1	8.0	9.6

After tax earnings came in at EUR 4.1 million in the second quarter of 2015, down from EUR 6.3 million in the second quarter of 2014. The tax rate was 64 percent in the second quarter this year compared to 33 percent in the second quarter of 2014. The different tax rates are mostly due to non-cash changes in deferred tax assets and liabilities, losses in tax free areas as well as changes in non-tax relevant currency conversion. There is also a one-off tax provision made in the quarter to account for adjustments of prior period taxes.

Cash net income decreased from EUR 13.6 million in the second quarter 2014 to EUR 11.7 million in the second quarter 2015, corresponding to a Cash net income per share of 24 Cent (Q2/2014: 27 Cent).

Cash flow
Cash flow from operating activities during the second quarter of 2015 was EUR -0.7 million compared to EUR 3.4 million in the same period 2014. The changes compared to 2014 mainly come from the following positions:

+ Adjusted for non-cash earnings/expenditures and cash taxes, the gross cash flow from operations before change in working capital increased from EUR 18.6 million in the second quarter of 2014 to EUR 18.8 million in the second quarter this year.
+ Change in working capital gave a decrease in operating cash flow of EUR -19.5 million compared to EUR -15.2 million in the second quarter 2014. Overall, CGM is currently operating with higher than normal working capital related to trade receivables. The main reasons for this situation are the build-up of POC receivables in the Telematics Infrastructure and Electronic Health Card (eGK) pilot project in Germany (approximately EUR 17 million in total and EUR 3 million increase during the first 6 months of 2015) and delayed invoicing and cash collection in some business units who have been in a migration phase to the new group-wide ERP solution during the first 6 months of 2015 (approximately EUR 10 million increase during the first 6 months of 2015). The effects from the ERP-migrations are expected to be normalized during the second half of 2015 whereas the main payment milestones in the Telematics Infrastructure pilot project are expected to occur at the end of 2015 and beginning of 2016.

Cash flow from investment activities during the second quarter of 2015 amounted to EUR –9.4 million compared to EUR -11.7 million in the same period last year. During the second quarter of 2015, CGM's capital expenditure consisted of the following:

EUR m	01.04. - 30.06. 2015	01.04. - 30.06. 2014
Company acquisitions	-4.2	-3.0
Purchase of minority interest and past acquisitions	-0.1	-2.1
Disposal of subsidiaries	0.0	0.4
Capitalized in-house services and other intangible assets	-3.9	-4.8
Office building and property	-0.1	-0.5
Other property and equipment	-1.1	-1.7
SUM	-9.4	-11.7

Cash flow from financing amounted to EUR 5.5 million in the second quarter 2015 (previous year: EUR -6.7 million) and relates to a dividend payment of EUR 17.4 million and the net cash inflow from assumption and repayment of loans.

Statement of financial position
Since the statement of financial position from 31 March 2015, total assets decreased by EUR 6.0 million to EUR 790.4 million as at 30 June 2015. The largest change to individual asset classes is a EUR -4.9 million decrease in cash and cash equivalents. For all other assets there are only minor changes during the second quarter of 2015.

Group equity was EUR 184.1 million as at 30 June 2015, down from EUR 194.7 million as at 31 March 2015. The decrease in equity comes after consolidating EUR 4.1 million in net profit for the period from 01 April 2015 to 30 June 2015 less EUR -17.4 million in dividend payment and EUR 2.8 million from the equity effect from changes in currency exchange rates and change in interest rates (actuarial gains and losses from pensions). The equity ratio is at 23.3 percent as at 30 June 2015.

The biggest changes to liabilities are increases in long and short term debt of EUR 22.3 million and a EUR 12.0 million decrease in current non-financial liabilities mostly related to seasonal pre-payments of software maintenance contracts balanced under other liabilities.

Reasearch & Development
Under IAS 38, development work on internally generated software must be capitalized if certain criteria are fulfilled. This generated EUR 2.6 million additional operating profit for the Group during the second quarter of 2015 (previous year EUR 1.9 million), less amortization and write-downs of EUR 0.5 million during the same period (previous year EUR 0.6 million). Most of the capitalized software development expenses are accounted for by two projects, G3.HIS (new HIS system development) and G3.AIS (new AIS software generation). Upon completion, the software will be amortized based on its useful life.

REPORT ON EXPECTED DEVELOPMENTS
In summary, CompuGroup Medical reaffirms the outlook presented in the 2014 Annual Report published 31 March 2015. In addition, revenue from acquisitions made subsequent to this guidance (Compufit, Zoergverband and Stock Informatik) is expected to be approximately EUR 4 million in 2015 with no significant EBITDA contribution net of transaction and integration expenses.

Total Group revenue is in 2015 expected to be in the range of EUR 549 million to EUR 559 million, corresponding to a growth rate of 7-9 percent. Acquisitions and divestitures completed to date are expected to give a growth contribution of EUR 22 million and organic growth is expected to be 3-4 percent.

Revenue in the HPS I segment is expected to be in the range of EUR 415 million to EUR 421 million, corresponding to a growth rate of 11-12 percent. Acquisitions completed to date are expected to give a growth contribution of approximately EUR 27 million and organic growth is expected to be 3-5 percent. AIS revenue is expected to be in the range of EUR 324 million to EUR 329 million in 2015. Acquisitions in AIS completed to date are expected to give a growth contribution of approximately EUR 17 million and organic growth is expected to be 3-5 percent. PCS revenue is expected to be in the range of EUR 91 million to EUR 92 million. Acquisitions in PCS completed to date are expected to give a growth contribution of approximately EUR 10 million and organic growth is expected to be 2-4 percent.

Revenue in the HPS II segment is expected to be in the range of EUR 73 million to EUR 75 million, corresponding to a contraction of 5-8 percent. The divestiture of the REWE/DMS product areas in Germany is expected to reduce revenue with approximately EUR 5 million in 2015 and the corresponding organic growth is expected to be around zero. The stagnant market for add-on projects for existing customers and new clients experienced during 2014 is expected to continue also in 2015.
Revenue in the HCS segment is expected to be in the range of EUR 61 million to EUR 63 million in 2015. This corresponds to 2-5 percent growth, all of which is organic growth. Revenue within Communication & Data is expected to be in the range of EUR 20 million to EUR 21 million, Workflow & Decision Support in the range of EUR 26 million to EUR 27 million and Internet Service Provider to be approximately EUR 15 million.

In terms of profitability, the investments and extra expenses carried during 2014 have created a more efficient cost base. Therefore, 2015 is expected to be a year of margin expansion relative to 2015 with operating margin (EBITDA margin) expected to be in the range of 21-22 percent. The corresponding EBITDA is expected to be in the range of EUR 115 million to EUR 125 million.

Depreciation of fixed assets is on Group level expected to be approximately EUR 8 million in 2015 and amortization of intangible assets is expected to be approximately EUR 34 million, of which EUR 30 million will come from amortization of purchase price allocations related to past acquisitions. The corresponding Group earnings before interest and tax (EBIT) is in 2015 expected to be in the range of EUR 73 million to EUR 83 million.

In summary, CompuGroup Medical reaffirms the following guidance for 2015:

+ Group revenue is expected to be in the range of EUR 549 million to EUR 559 million.
+ Group operating income (EBITDA) is expected to be in the range of EUR 115 million to EUR 125 million.

The foregoing outlook is given as at August 2015 and does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2015. The outlook for 2015 represents management's best estimate of the market conditions that will exist in 2015 and how the business segments of CompuGroup Medical will perform in this environment.

REPORT ON OPPORTUNITIES AND RISKS

As an internationally operating company, CompuGroup Medical is subject to variety of different risks. These risks mainly include strategic and macroeconomic risks as well as operating, legal and political risks. Furthermore, the group is faced with risks resulting from its project-business, risks related to key personnel and financial risks.

The group's technological expertise and market knowledge makes it possible to assess risk and apply appropriate measures to actively manage the risk exposure. To guarantee a responsible risk handling, CompuGroup works with standardized, group-wide integrated risk management system so that risks can be identified and analyzed at an early stage. A detailed description of the main risks and the specific structure of the risk management system can be found in the CompuGroup Medical AG annual report of 2014. It can be downloaded free of charge from the company's homepage at www.cgm.com.

With the exception of the explanatory notes about CGM's current business activities under "Financial and Operational Review", we see no changes compared to the risk and opportunities described in the group management report for the financial year 2014. Risks that may impact the company as a going concern were not evident during the first six month of 2015, neither in form of individual risks nor from the total risk position for CompuGroup Medical as a whole.

Interim Statement of Financial Position

as at 30 June 2015

ASSETS

	30.06.2015 EUR '000	30.06.2014 EUR '000	31.12.2014 EUR '000
Non-current assets			
Intangible assets	547,616	502,897	517,541
Tangible assets	61,173	62,405	62,054
Financial assets			
Interests in affiliates (valued as equity)	846	705	854
Other Investments	184	80	140
Trade receivables	8,887	9,254	8,332
Other financial assets	3,099	1,502	2,789
Derivative financial instruments	0	6,056	0
Deferred taxes	2,638	2,093	2,442
	624,443	584,993	594,152
Current assets			
Inventories	6,103	6,808	5,877
Trade receivables	115,948	93,076	96,760
Other financial assets	3,662	3,772	3,635
Other non-financial assets	15,513	10,847	9,496
Income tax claims	5,096	4,048	5,133
Securities (recognized as profit of loss as fair value)	96	166	95
Cash and cash equivalents	19,552	11,562	21,465
	165,969	130,279	142,461
Assets of disposal group classified as held for sale	0	0	0
	790,413	715,272	736,613

SHAREHOLDER EQUITY AND LIABILITIES

	30.06.2015 EUR '000	30.06.2014 EUR '000	31.12.2014 EUR '000
Shareholder Equity			
Subscribed capital	53,219	53,219	53,219
Treasury shares	-20,292	-20,292	-20,292
Reserves	150,618	151,347	144,922
Capital and reserves allocated to the shareholder of the parent company	183,545	184,273	177,849
Minority interests	562	-4,567	-41
	184,107	179,706	177,808
Long-term liabilities			
Pension provision	18,304	11,739	17,428
Liabilities to banks	335,949	279,576	336,437
Purchase price liabilities	3,939	2,486	3,539
Other financial liabilities	6,912	3,518	7,600
Other non-financial liabilities	2,962	3,003	3,898
Derivative financial instruments	0	6,549	0
Deferred taxes	54,637	49,135	49,212
	422,703	356,006	418,114
Current liabilities			
Liabilities to banks	27,019	47,710	19,943
Trade payables	23,144	19,119	25,439
Income tax liabilities	17,991	13,850	10,449
Provisions	28,500	24,550	30,834
Purchase price liabilities	7,955	8,208	8,987
Derivative financial instruments	2,485	0	4,763
Other financial liabilities	9,763	5,744	10,072
Other non-financial liabilities	66,747	60,380	30,204
	183,603	179,561	140,691
Liabilities associated directly with non-current assets qualified as held for sale	0	0	0
	790,413	715,272	736,613

Interim Income Statement

for the reporting period of 1 January - 30 June 2015

EUR '000	01.04-30.06 2015	01.04-30.06 2014	01.01-30.06 2015	01.01-30.06 2014	01.01-31.12 2014
Continuing operations					
Sales revenue	138,145	126,344	270,482	248,411	515,104
Capitalized in-house services	2,590	1,898	4,859	4,445	9,202
Other Income	956	784	1,452	1,117	12,721
Expenses for goods and services purchased	-29,152	-22,067	-52,823	-44,963	-99,232
Personnel costs	-63,469	-62,775	-125,818	-123,407	-247,811
Other expense	-19,386	-20,896	-39,965	-40,348	-93,304
Earnings before interest, taxes depr. and amortization (EBITDA)	29,684	23,288	58,186	45,254	96,680
Depreciation of property, plants and tangible assets	-1,854	-2,011	-3,747	-3,952	-7,809
Earnings before interest, taxes and amortization (EBITA)	27,830	21,277	54,439	41,302	88,871
Amortization of intangible assets	-8,587	-8,034	-17,164	-16,023	-34,972
Earnings before interest and taxes (EBIT)	19,244	13,243	37,276	25,279	53,899
Results from associates recognised at equity	19	603	13	596	19
Financial income	-3,858	-320	10,944	189	12,981
Financial expense	-4,088	-4,062	-7,968	-9,606	-22,444
Earnings before taxes (EBT)	11,317	9,463	40,265	16,458	44,455
Taxes on income of the period	-7,225	-3,170	-15,218	-5,439	-20,339
Consolidated net income for the period from continuing operations	4,092	6,293	25,047	11,019	24,116
Discontinued operations					
Profit for the period from discontinued operations	0	0	0	-141	-20
Consolidated net income for the period	4,092	6,293	25,047	10,878	24,096
of which: allocated to parent company	4,063	6,616	24,967	11,343	26,337
of which: allocated to minority interests	28	-324	80	-466	-2,241
Earnings per share					
undiluted (EUR)	0.08	0.13	0.50	0.23	0.53
diluted (EUR)	0.08	0.13	0.50	0.23	0.53
Additional information:					
Cash net income (EUR)	11,711	13,561	40,721	25,547	55,795
Cash net income per share (EUR)	0.24	0.27	0.82	0.51	1.12

* Definition Cash Net Income: net income before minority interests plus amortization on intangible assets exept amortization on in-house capitalized software.

Interim Statement of Comprehensive Income

for the reporting period of 1 January - 30 June 2015

EUR '000	01.04-30.06 2015	01.04-30.06 2014	01.01-30.06 2015	01.01-30.06 2014	01.01-31.12 2014
Consolidated net income for the period	4,092	6,293	25,047	10,878	24,096
Other results					
Items that will not be reclassified to profit or loss at a future point in time					
Actuarial gains and losses on defined benefit plans	1,697	128	-170	88	-3,969
Deferred taxes on Actuarial gains and losses on defined benefit plans	-507	-30	45	-25	1,082
Items that will be reclassified to profit or loss at a future point in time when specific conditions are met					
Cash flow hedges					
of which: in equity	0	613	0	1,303	-1,176
of which: income	0	0	0	0	9,028
Deferred taxes on cash flow hedges	0	-184	0	-391	-2,356
Currency conversion differences	1,593	1,472	-1,205	604	-11,447
Total comprehensive imcome for the period	6,875	8,293	23,716	12,457	15,258
of which: allocated to parent company	6,846	6,906	23,636	11,213	17,499
of which: allocated to minority interests	28	-324	80	-466	-2,241

Interim Cash Flow Statement

as at 30 June 2015

EUR ,000	01.04-30.06 2015	01.04-30.06 2014	01.01-30.06 2015	01.01-30.06 2014	01.01-31.12 2014
Group net income	4,092	6,293	25,047	10,878	24,096
Amortization of intangible assets, plant and equipment	10,495	10,045	20,965	19,975	42,781
Earnings on sale of fixed assets	-40	-6	-78	-6	-8,500
Change in provisions (inlcuding income tax liabilities)	-819	-413	2,508	-444	-1,661
Change in deferred taxes	2,611	2,144	1,425	1,119	-2,141
Other non-cash earnings/ expenditure	2,473	563	-10,905	1,369	-6,765
	18,812	18,626	38,962	32,891	47,810
Change in inventories	623	-827	-188	-2,188	-685
Change in trade receivables	1,056	4,037	-17,399	-8,954	-7,054
Change in income tax receivables	636	5,005	433	4,466	2,121
Change in other receivables	-580	-4,125	-4,955	-2,459	-2,379
Change in trade accounts payable	-4,578	-619	-5,667	-4,918	-3,070
Change in other liabilities	-16,696	-18,712	31,398	24,734	-4,803
Cash flow from operating activities	-726	3,386	42,583	43,573	31,940
Cash flow on disposals of intangible assets	11	12	13	30	132
Cash outflow for capital expenditure in intangible assets	-3,898	-4,727	-8,523	-9,290	-16,844
Cash inflow on disposals of sales of property, plant and equipment	160	118	304	176	523
Cash outflow for capital expenditure in property, plant and equipment	-1,418	-2,327	-2,173	-4,935	-8,081
Cash flow for the aquisition of subsidiaries	-4,206	-3,023	-22,353	-26,574	-40,649
Cash outflow for the aquisition of subsidiaries from prior periods	-50	-2,150	-1,036	-2,150	-1,352
Cash inflow from disposal of subsidiaries	0	396	0	396	9,000
Cash flow from investing activities	-9,400	-11,701	-33,769	-42,347	-57,271
Purchase of won shares	0	0	0	0	0
Dividends paid	-17,403	-17,418	-17,403	-17,418	-17,403
Capital contributions from non-controlling interests	0	0	0	0	0
Purchase of minority interests	0	0	-36	0	-280
Cash inflow from assumption of loans	30,020	17,647	40,596	65,140	343,249
Cash outflow from the repayment of loans	-7,161	-6,973	-34,096	-60,850	-302,447
Cash flow from financing activities	5,456	-6,744	-10,940	-13,128	23,119
Cash and cash equivalents at the beginning of the period	0	114	21,465	23,453	23,453
Change in cash an dcash equivalents	-4,671	-15,059	-2,125	-11,902	-2,212
Changes in cash due to exchange rates	-186	149	211	11	224
Cash and cash equivalents at the end of the period	-4,857	-14,796	19,552	11,562	21,465
Interest paid	3,899	3,432	7,308	7,238	19,070
Interest received	120	167	214	304	732
Income tax paid	2,878	4,762	8,813	8,056	23,463
Income tax received	227	4,453	238	4,453	0

Interim Changes in Consolidated Equity

as at 30 June 2015

EUR '000	Share capital	Treasury shares	Other reserves	Accumulated other comprehensive income: Other Hedges	Accumulated other comprehensive income: Cashflow conversion	Attributable to owners of CompuGroup Medical AG	Non-controlling interest	Total equity
Balance as at 01.01.2014	53,219	-20,292	168,792	-5,457	-7,493	188,769	-4,102	184,667
Group net income	0	0	26,337	0	0	26,337	-2,241	24,096
Other results								
Cashflow Hedges	0	0	0	1,335	0	1,335	0	1,335
Actuarial gains and losses	0	0	0	4,161	0	4,161	0	4,161
Currency conversion differences	0	0	-2,877	0	0	-2,877	0	-2,877
Total result of period	0	0	0	0	-11,447	-11,447	0	-11,447
Total result of period	0	0	23,450	5,496	-11,447	17,499	-2,241	15,258
Transactions with shareholders								
Transactions with shareholders								
Capital contributiion	0	0	0	0	0	0	0	0
Dividend distribution	0	0	-17,403	0	0	-17,403	0	-17,403
Stock options programm	0	0	0	0	0	0	0	0
Repurchase of treasury shares	0	0	0	0	0	0	0	0
Non-controlling interes from acquisitions	0	0	0	0	0	0	0	0
Additional purchase of shares from non-controlling interests after control	0	0	-11,127	0	0	-11,127	6,430	-4,697
	0	0	-28,530	0	0	-28,530	6,430	-22,100
Changes in scope of consolidation	0	0	190	-39	-40	111	-128	-17
Balance as at 01.01.2015	53,219	-20,292	163,902	0	-18,980	177,848	-41	177,808
Group net income	0	0	24,967	0	0	24,967	80	25,047
Other results								0
Cashflow Hedges	0	0	0	0	0	0	0	0
Actuarial gains and losses	0	0	-126	0	0	-126	0	-126
Currency conversion differences	0	0	0	0	-1,205	-1,205	-14	-1,219
Total result of period	0	0	24,841	0	-1,205	23,636	65	23,702
Transactions with shareholders								
Capital contributiion	0	0	0	0	0	0	0	0
Dividend distribution	0	0	-17,403	0	0	-17,403	0	-17,403
Stock options programm	0	0	0	0	0	0	0	0
Non-controlling interrests from acquisitions	0	0	0	0	0	0	0	0
Additional purchase of shares from non-controlling interests after control	0	0	-229	0	0	-229	229	0
Repurchase of treasury shares	0	0	0	0	0	0	0	0
Issue of treasury shares	0	0	0	0	0	0	0	0
	0	0	-17,632	0	0	-17,632	229	-17,403
Changes in the scope of consolidation	0	0	0	0	0	0	0	0
Balance as at 30.06.2015	53,219	-20,292	171,111	0	-20,185	183,853	562	184,414

Explanatory notes

GENERAL ACCOUNTING PRINCIPLES FOR THE INTERIM FINANCIAL REPORT

General Accounting Principles

The accompanying condensed IFRS-Interim Financial Statements for the period ended 30 June 2015 is a Consolidated Financial Statement. Unless otherwise specified, all amounts are provided in thousands of euros (EUR thousands) or millions of euros (EUR millions). Rounding differences of +/- one unit (EUR thousands, percent, etc.) may arise as a result of calculations.

The second quarter consolidated financial statements as of 30 June 2015 have been prepared, like the Consolidated Annual Financial Statements for the year 2014, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. This Consolidated Interim Financial Statements prepared in accordance with IAS 34 is condensed compared with the scope applied of the Consolidated Financial Statements for the full year. Apart from the exceptions detailed hereinafter for new or revised standards, the accounting policies in the interim Financial Statements are consistent with those used in the Consolidated Financial Statements for the year ended 31 December 2014. Relevant information can be found in the Consolidated Financial Statements as of 31 December 2014. This Consolidated Interim Financial Statements and the Interim Management Report were not reviewed by any auditor.

The overview below gives information about the relevant foreign exchange rates for the condensed consolidated interim IFRS-financial statements:

	Fixed rates		Average rates January - June	
1 € equals to	30.06.2015	31.12.2014	2015	2014
Denmark (DKK)	7.46	7.46	7.46	7.46
Canada (CAD)	1.38	1.54	1.38	1.47
Malaysia (MYR)	4.22	4.54	4.06	4.38
Norway (NOK)	8.79	8.29	8.65	8.21
Poland (PLN)	4.19	4.2	4.14	4.14
Sweden (SEK)	9.22	8.87	9.34	9.09
Switzerland (CHF)	1.04	1.22	1.06	1.22
South Africa (ZAR)	13.64	14.86	13.3	14.51
Czech Republic (CZK)	27.25	27.4	27.5	27.45
Turkey (TRY)	3.00	3.06	2.86	2.88
USA (USD)	1.12	1.38	1.12	1.36

Unless otherwise stated, all figures refer to the first six months of 2015 and 2014 respectively. The business development showed no signs of significant cyclical fluctuations. The business volume normally tends to be higher in the second half of the year and in particular in the fourth quarter of the financial year (1 October – 31 December).

When preparing the Consolidated Interim Financial Statements management makes estimates and assumptions in the process of applying the accounting policies that may influence the amounts of assets, liabilities and contingent liabilities as well as expense and income. Although these assumptions and estimates were made to the best knowledge of the Management Board, actual results may differ from these estimates.

The main assumptions being used for preparing the Consolidated Interim Financial Statements are identical to those used for the preparation of the Consolidated Financial Statements as at year end 31 December 2014. In addition, assumptions have been made in the determination of the personnel expenses and provisions for post-employment benefits.

Standards, interpretations and changes to published standards to be applied in 2015

CompuGroup Medical has applied all accounting pronouncements adopted by the EU and required to be applied as from January 1, 2015. Various requirements have entered into force since January 1, 2015, as part of the annual improvements to IFRS 2013. These included amendments to IFRS 1, IFRS 3, IFRS 13, and IAS 40 and did not materially affect the net assets, financial position, and results of operations of the CompuGroup Medical. IFRIC 21 has also been applicable since January 1, 2015. IFRIC 21 governs the accounting for levies imposed by governments that are not covered by "IAS 12 Income Taxes." In particular, the interpretation clarifies the circumstances in which a liability for a levy is to be recognized in the financial statements. This interpretation did not have any material effects on the net assets, financial position, and results of operations of the CompuGroup Medical.

In all other respects, the same accounting policies and consolidation principles were generally applied to the preparation of consolidated interim financial statements and the presentation of the prior-year comparative figures as to the consolidated financial statements for 2014. A detailed description of these accounting policies is given in the notes to the 2014 consolidated financial statements.

Amendments, standards and interpretation published by the IASB but not yet adopted into European legislation

The IASB and the IFRIC have adopted several additional standards and interpretations in 2015 and the previous years which were not yet compulsorily applicable in the financial year 2015 beginning on the 1 January. The application of these IFRS and IFRIC is depended on the adoption by the EU ("endorsement")

Standard	Content
IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
Amendments to IFRS 10, IFRS 12 and IAS 28, Investment Entities	Applying the Consolidation Exception
Amendments to IAS 1 (Presentation of Financial Statements)	The changes comprise clarifications relating to the materiality of the items presented in the balance sheet, the statement of comprehensive income, the cash flow statement, the statement of changes in equity and the disclosures in the notes.
Annual Improvement to IFRS 2012 -2014 cycle	The annual improvement process refers to the following standards: IFRS 5, IFRS 7, IAS 19, IAS 34
IFRS 10 and IAS 28, amendment	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IAS 27, amendment	Equity method in Separate Financial Statements
IAS 16 and IAS 41, amendment	Agriculture: Bearer Plants
IAS 16 and IAS 38, amendment	Clarification of Acceptable Methods of Depreciation and Amortization
IFRS 11, amendment	Accounting for Acquisitions of Interests in Joint Operations

The possibility of an early application for particular standards is given. CompuGroup Medical does not make use of the possibility of an early application of these standards. Currently CompuGroup Medical evaluates the consequences which will arise from the first time adoption of these standards. However it is expected that IFRS 15 will have significant changes to the (interim-) consolidated financial statements due to the first time application. From the first time application of the other standards it is expected that there will be no significant changes to the (interim-) consolidated financial statements of CompuGroup Medical.

SELECTED EXPLANATORY NOTES

Consolidation group

The Consolidated Interim Financial Statements as of 30 June 2015 include the Financial Statements of CompuGroup Medical AG and all companies controlled by CompuGroup Medical AG (subsidiaries) as of 30 June 2015. Consolidation begins from the date control is obtained and ends when control ceases to exist. Consolidated companies include those companies included in Financial Statements as of year-end 2014 and the newly acquired, disposed or founded subsidiaries as described in section "Company acquisitions, disposals and foundations" in the selected explanatory notes below.

Changes in the business and the economic circumstances

In comparison to financial year 2014 there have been no significant changes to the business and the economic circumstances CompuGroup Medical AG is exposed to with the exception of the factors described in the Interim Management Report.

Company acquisitions, disposals and foundations

EUR '000	Total 2015	Medical EDI Services (PTY) LTD	BS Concept Realization B.V.	Compufit BVBA	Stock Gruppe	Other acquisitions
Purchase date		07.01.2015	26.03.2015	23.03.2015	01.05.2015	-
Voting rights acquired in %		100%	100%	100%	100%	-
Acquired assets and liabilities assumed recognized at acquisition date						
Non-current assets	25,606	14,684	932	4,450	4,493	1,047
Software	4,541	2,624	306	729	882	0
Customer relationships	18,357	11,211	593	3,084	2,549	920
Brands	1,061	625	33	98	188	117
Order backlog	814	0	0	0	814	0
Property and buildings	243	0	0	243	0	0
Other fixed assets and office equipment	544	183	0	291	60	10
Other non-current financial assets	46	41	0	5	0	0
Other non-current non-financial assets	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
Current assets	2,874	611	16	1,123	847	277
Inventories	29	0	0	1	0	28
Trade receivables	1,188	454	14	576	87	57
Other current financial assets	14	10	0	0	2	2
Other current non-financial assets	103	28	0	44	14	17
Other assets	2	0	0	0	0	2
Cash and cash equivalents	1,538	119	2	502	744	171
Non-current liabilities	7,125	4,086	233	1,357	1,331	118
Pensions	2	0	0	2	0	0
Liabilities to banks	25	0	0	25	0	0
Other provisions	0	0	0	0	0	0
Other financial liabilities	38	38	0	0	0	0
Other non-financial liabilities	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0
Deferred tax	7,060	4,048	233	1,330	1,331	118
Current liabilities	2,802	321	38	1,505	760	178
Trade payables	313	76	14	47	94	82
Contingent liabilities	0	0	0	0	0	0
Liabilities to banks	76	0	0	16	60	0
Other provisions	291	0	0	132	86	73
Other liabilities	63	0	2	20	41	0
Other financial liabilities	123	40	0	49	20	14
Other non-financial liabilities	1,936	205	22	1,241	459	9
Net assets acquired	18,553	10,888	677	2,711	3,249	1,028
Purchase price paid in cash	23,891	12,141	700	5,000	4,950	1,100
Liabilities assumed	1,296	0	125	0	683	488
of which contingent consideration	524	0	125	0	0	399
Issued equity instruments	0	0	0	0	0	0
Total consideration transferred	25,187	12,141	825	5,000	5,633	1,588
Non-controlling interests	0	0	0	0	0	0
Goodwill	6,634	1,253	148	2,289	2,384	560
Acquired cash and cash equivalents	1,538	119	2	502	744	171
Purchase price paid in cash	23,891	12,141	700	5,000	4,950	1,100
Prepayments on acquisitions	0	0	0	0	0	0
Payments for acquisitions after date of acquisition	1,036	0	0	0	0	1,036
Cash outflow for acquisitions (net)	-23,389	-12,022	-698	-4,498	-4,206	-1,965
Effects of the acquisition on Group result						
Sales revenue following date of acquisition	5,543	3,388	31	639	379	1,106
Result following date of acquisition	1,167	1,073	-8	64	-25	63
Sales revenue in 2014 (hypothetical date of acquisition 1 January 2014)	5,421	1,708	50	569	2,780	314
Result 2014 (hypothetical date of acquisition 1 January 2014)	906	431	20	38	531	-114
Costs attributable to the acquisition	167	82	20	40	25	0

Acquisition of Medical EDI Services (PTY) LTD, South Africa
In January 2015 CompuGroup Medical South Africa (PTY) LTD, a 100% subsidiary of CompuGroup Medical AG (CGM), acquired 100% of the shares Medical EDI Services (PTY) LTD based in Margate, South Africa. MedEDI develops software which aids general practitioners in administration and invoicing as well as the operation of online services for insurance billing.

MedEDI employs about 70 employees at its locations in Johannesburg, Margate and Cape Town. The company has approximately 2,700 practices as customers and is a leading provider in the area of billing services. The solutions support all administrative processes in a practice's daily routine and sends patient invoices to the relevant insurances in real-time.

The total sales revenue of the Medical EDI Services was in 2014 approximately EUR 5.4 million with an EBITDA of approximately EUR 1.9 million.

The consolidation of Medical EDI Services began 7 January 2015.

From this acquisition, CGM expects to be able to significantly expand its ambulatory information business and the billing services with insurances in South Africa by offering innovative software products as well as services. Synergies are expected through the gaining of know-how and through cost efficiency opportunities.

The preliminary goodwill of EUR 1,253 thousand results from the synergies within the Group as a result of the inclusion of Medical EDI Services into CGM. It is expected that the recognized goodwill will not be deductible for tax purposes.

The preliminary fair value of the acquired intangible assets excluding goodwill amounts to EUR 14,460 thousand.

The initial consolidation of the acquisition of Medical EDI Services as at 1 January 2015 is carried out in preliminary form. The analysis of the acquired order backlog as well as the valuation of the acquired customer relationships, software and brands is not yet completed due to some not yet fully received or evaluated information.

Acquisition of BS Concept Realization B.V., Netherlands
In March 2015 CompuGroup Medical Holding Cooperatief, a 100% subsidiary of CompuGroup Medical AG (CGM), acquired 100 % of the shares of BS Concept Realization B.V. based in Hilversum, Netherlands.

With this acquisition, CompuGroup Medical enters the new upcoming market of software services for homecare. BS Concept Realization, with its software product "Zorgverband", is the Dutch market leader in communication products between healthcare professionals and patients in homecare together with their family members. Recent legislation in The Netherlands confirms the tendency towards patients staying at home for a longer period while increasing the participation of patients/clients and their families in the care at home. The Zorgverband system supports both professional and non-professional caregivers, thus providing for more efficiencies in health care.

The total sales revenue of BS Concept Realization was in 2014 approximately EUR 2.0 million with an EBITDA of approximately EUR -0.1 million.

The consolidation of BS Concept Realization began 26 March 2015.

Besides entering the new upcoming market of software services for homecare, CGM expects from this acquisition, to be able to significantly expand its reach through the existing and upcoming customer base in the Dutch Zorgverband in the Netherlands.

The preliminary goodwill of EUR 148 thousand results from the synergies within the Group as a result of the inclusion of BS Concept Realitation into CGM. It is expected that the recognized goodwill will not be deductible for tax purposes.

The preliminary fair value of the acquired intangible assets excluding goodwill amounts to EUR 932 thousand.

The initial consolidation of the acquisition of BS Concept Realization B.V. as at 26 March 2015 is carried out in preliminary form. The analysis of the acquired order backlog as well as the valuation of the acquired customer relationships, software and brands is not yet completed due to some not yet fully received or evaluated information.

Acquisition of Compufit BVBA, Belgium
In March 2015 CompuGroup Belgium BVBA, a 100% subsidiary of CompuGroup Medical AG (CGM), acquired 100 % of the shares of Compufit BVBA, based in Oostende, Belgium. The newly acquired company is a market leader in software for physiotherapists as well as rehabilitation clinics. With this acquisition, CGM will now serve 50% of the physiotherapists as well as 30% of the rehabilitation clinics in Belgium.

Compufit BVBA develops software solutions for physiotherapists and rehabilitation clinics in Belgium and is, with its 6,000 customers, number one in these markets in Belgium. Out of 141 Belgians hospitals, which offer rehabilitation, 44 use Compufit's software product. Additionally, it sells hardware and other products.

The consolidation of Compufit BVBA began 23 March 2015.

The total sales revenue of Compufit BVBA was in 2014 approximately EUR 2.0 million with an EBITDA of approximately EUR 0.2 million.

CGM expects by combining the strength of CGM Belgium and Compufit BVBA to raise synergies and enable a better service environment for the combined customer base.

The preliminary goodwill of EUR 2,289 thousand results from the synergies within the Group as a result of the inclusion of Compufit BVBA into CGM. It is expected that the recognized goodwill will not be deductible for tax purposes.

The preliminary fair value of the acquired intangible assets excluding goodwill amounts to EUR 3,911 thousand.

The initial consolidation of the acquisition of BS Compufit BVBA as at 23 March 2015 is carried out in preliminary form. The analysis of the acquired order backlog as well as the valuation of the acquired customer relationships, software and brands is not yet completed due to some not yet fully received or evaluated information.

Farma3tec S.r.l., Mondofarma S.r.l., Italy, Labelsoft B.V, Netherlands
For the group of companies farma3tec S.r.l., Mondofarma S.r.l., Italy, acquired in 2014 and for Labelsoft B.V, Netherlands acquired in 2014 in the reporting period no adjustments arose on the preliminary fair value of the acquired intangible assets.

Acquisition of the Stock Group, Germany
In May 2015 CompuGroup Medical Deutschland AG, a 100% subsidiary of CompuGroup Medical AG (CGM), acquired the Stock Informatik GmbH & Co. KG and the Stock Informatik Verwaltungs GmbH, both located at Fröndenberg/Ruhr. With this acquisition Compugroup Medical enters the market for software services in the segment occupational healthcare, preventive healthcare and occupational safety.

Stock Informatik is the market leader in software services in the segment occupational healthcare, preventive healthcare and occupational safety. The Software Suite supports companies at prevention and active precaution of the health of their employees and is in use at numerous hospitals, companies up to many big corporations. As European specialist the software solutions are also offered in Switzerland and Austria.

The consolidation of the Stock Group began at the 1 May 2015.

The total sales revenue of the Stock Group was in 2014 approximately EUR 3.0 million with an EBITDA of approximately EUR 0.9 million.

With the integration of the Stock Group into the CGM family, CGM expects to cross over from occupational healthcare, preventive healthcare and occupational safety to physicians in private practices and clinics. Together with the leading software solutions for physicians in private practices and clinics the software suites of Stock Informatik are seen as a perfect addition to CGMs extensive eHealth offers.

The preliminary goodwill of EUR 2,384 thousand results from the synergies within the Group as a result of the inclusion of the Stock Group into CGM. The recognized goodwill will not be deductible for tax purposes.

The preliminary fair value of the acquired intangible assets excluding goodwill amounts to EUR 4,433 thousand.

The initial consolidation of the acquisition of the Stock Group as at 1 May 2015 is carried out in preliminary form. The analysis of the acquired order backlog as well as the valuation of the acquired customer relationships, software and brands is not yet completed due to some not yet fully received or evaluated information.

Acquisitions and disposals of items of Tangible assets
In the first six months of the financial year 2015, CompuGroup Medical AG acquired tangible assets such as office buildings and office equipment for a total amount of EUR 2.1 million.

Related-party transactions

The related-party transactions are as follows:

	Sale of goods		Purchase of goods		Receivables		Liabilities	
EUR '000	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Related Persons	28	16	15	69	2	6	0	0
Related companies	1,251	1,428	4,616	2,130	1,296	1,473	253	187
Associated companies	16	17	9	13	40	31	3	8
Total	1,295	1,461	4,639	2,212	1,337	1,510	256	195

Compliance with payment obligations and financial covenants

On the 23 September 2014 CGM entered into a new syndicated loan facility for a total sum of EUR 400.0 million. The syndicated loan facility consists of a "term loan facility" (also referred to in the following as "TLF") for EUR 225 million and a "multi currency revolving loan facility" (also referred to in the following as "RLF") for EUR 175 million.

The syndicated loan facility has a duration of five years. The TLF must be repaid pro rata in equal instalments of EUR 15.0 million on 31 January and 31 July in each year, commencing on 31 July 2015, with a final payment of the balance of any outstanding term facility loans to be repaid on the termination date. The RLF must be repaid at the end of each interest period and can be taken out again immediately thereafter.

The interest period can be chosen by CGM AG at its discretion. The interest rate is based upon the 3month-EURIBOR rate for the interest period chosen plus a margin derived from the relationship between the consolidated net borrowings and the adjusted consolidated EBITDA (Leverage). The margin is 2.0 percent for the first six months.

As of 30 June 2015 EUR 225 million of the TLF and EUR 100 million of the RLF were utilized. Loan origination fees totaling EUR 3.5 million were incurred related to these facilities. These fees will be charged as a financial expense over the term of the loan agreement. For this syndicated loan facility no hedge has been concluded. The grant of the loan is linked to the compliance of certain financial covenants.

The loan agreement includes joint and several guarantees for payment by a number of CGM's subsidiaries (contingent liability in case of non-payment of CompuGroup Medical AG).

In the first six months of the financial year 2015 CompuGroup Medical is compliant with all financial covenants entered in all of its loan agreements.

Other financial obligations and finance commitments

As at the 30 June 2015 the Group had open obligations from non-cancelable operating leases, maturing as follows:

EUR '000	30.06.2015	30.06.2014
Within 1 year	12,372	10,631
Between 2 and 5 years	24,185	22,076
Longer than 5 years	6,182	6,325
Total	42,739	39,033

Payments from operating lease agreements include rent for the Group's office equipment and particularly for office buildings (without purchase option). Lease agreements are concluded for an average term of three years. The rents are fixed for three to seven years. Operating leasing relationships are recognized pro rata in the income statement.

Other financial commitments did not change significantly during the first six months of the financial year 2015 compared to 31 December 2014.

Financial instruments

The Group has various financial assets such as trade receivables and cash and cash equivalents, which result directly from operations. In the first six months of the financial year 2015 the same accounting policies and valuation methods that were applied in the Financial Statements as of year-end 2014 have been applied to the company's financial instruments.

The following table presents carrying amounts and valuation of the Group's financial instruments grouped by categories according to IAS 39.

Categories of financial instruments in accordance with IAS 39	Category according to IAS 39	Book value as at 30.06.2015	IAS 39 valuation: Acquisiton costs (continued)	IAS 39 valuation: Fair Value through profit and loss	IAS 39 valuation: Fair value regonized in equity	IAS 17 valuation: Acquisiton costs continued	Fair Value as at 30.06.2015
Financial assets							
Cash and bank balances	LaR	19,552	19,552	0	0	0	19,552
Trade receivables	LaR	78,632	78,632	0	0	0	78,632
Receivables from construction contracts (PoC)	LaR	32,793	32,793	0	0	0	30,612
Other receivables	LaR	5,467	5,467	0	0	0	5,467
Finance lease receivables	-	14,703	0	0	0	14,703	15,867
Other financial assets	AfS	194	194	0	0	0	194
Securities	FVtPL	96	0	96	0	0	96
Stock options held for trading	FVtPL	0	0	0	0	0	0
Total financial assets		151,438	136,638	96	0	14,703	150,421
Financial liabilities							
Liabilities to banks	oL	362,968	362,968	0	0	0	357,204
Purchase price liabilities	oL	11,893	11,893	0	0	0	11,893
Trade payables	oL	23,144	23,144	0	0	0	23,144
Other financial liabilities	oL	15,489	15,489	0	0	0	15,489
Financial lease obligations	-	1,186	0	0	0	1,186	1,260
Interest rate swap	FVtPL	2,485	0	2,485	0	0	2,485
Total financial liabilities		417,165	413,494	2,485	0	1,186	411,475
Total per category							
Assets held for trade	AfS	194	194	0	0	0	194
Liabilities to banks and receivables	LaR	136,444	136,444	0	0	0	134,263
Financial assets at fair value assets	FVtPL	96	0	96	0	0	96
Other financial liabilities	oL	413,494	413,494	0	0	0	407,730
Liabilities at fair value through profit and loss	FVtPL	2,485	0	2,485	0	0	2,485

Fair value measurement

The fair value is not always available as a market value, which often necessitates a determination based on various measurement parameters. Depending on the availability of observable parameters and the relevance of these parameters for determining the fair value as a whole, the fair value is assigned to Level 1, 2 or 3. Assignment to these levels is effected under consideration of the following factors:

+ **Level 1 parameters:** Here, the market value of assets and liabilities is calculated based on quoted, unadjusted prices like those that arise for similar or identical assets and liabilities in active markets.

+ **Level 2 parameters:** Here, the market value of assets and liabilities is calculated on the basis of parameters for which either directly or indirectly quoted prices are also available to an active market.

+ **Level 3 parameters:** Here, the market value of assets and liabilities is calculated on the basis of parameters for which there are no observable market data.

Fair value of financial assets and liabilities that are regularly measured at fair value according to the valuation hierarchies:

Assessed valuation hierarchies at fair value - financial instruments EUR '000	30.06.2015	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss	96	96	0	0
thereof securities	96	96	0	0
thereof stock options held for trading	0	0	0	0
Financial assets at fair value wihtout through equity	0	0	0	0
Total	96	96	0	0
Liabilities at fair value through profit and loss	2,485	0	2,485	0
thereof interest rate swaps	2,485	0	2,485	0
Liabilities at fair value through equity	0	0	0	0
Total	2,485	0	2,485	0

1) Securities (Level 1): The fair value of securities in the amount of EUR 96 thousand (31 December 2014: EUR 95 thousand) is based on quoted market prices in an active market at the balance sheet date. Significant unobservable input parameters are not available which is why there is no ratio of unobservable input parameters to the fair value of the securities.

2) Interest rate swaps (Level 2): Cash flow hedges (2015: EUR 2,485 thousand; 31 December 2014: EUR 4,762 thousand) represent the negative market values of interest rate hedges (interest rate swaps), measured at fair value based on the mark-to-market method. The fair value is the present value of future cash flows based on observable yield curves. Derivative financial instruments are used to hedge against the effect of interest rate fluctuations.

The nominal value of the interest rate swaps amounts to EUR 250 million on the 30 June 2015 and thus remained unchanged from last year. On the 30 June 2015, the fixed interest rates ranged from 1.83 percent to 2.07 percent (unchanged from previous year), the variable interest rate is the 3-month EURIBOR.

Fair Value of financial assets and liabilities that are not regularly measured at fair value according to the valuation hierarchies:

EUR '000	30.06.2015	Level 1	Level 2	Level 3
Fair value of financial assets valuated at (continued) acquisition costs				
Trade receivables	78,632	0	78,632	0
Receivables from construction contracts (PoC)	30,612	0	30,612	0
Other receivables	5,467	0	2,002	3,465
Finance lease receivables	15,867	0	15,867	0
Other financial assets	194	0	0	194
Total	130,772	0	127,113	3,659
Fair value of financial liabilities valuated at (continued) acquisition costs				
Liabilities to banks	357,204	0	0	357,204
Purchase price liabilities	11,893	0	0	11,893
Trade payables	23,144	0	23,144	0
Other financial liabilities	15,489	0	9,705	5,784
Financial lease obligations	1,260	0	1,260	0
Total	408,990	0	34,109	374,881

POST BALANCE SHEET EVENTS

There have been no post balance sheet events.

Segment reporting

In accordance with IFRS 8 „Operating Segments" the activities of CompuGroup Medical AG are divided into operating segments for segment reporting purposes. A classification based on the individual products or services is applied for controlling purposes and for the allocation of resources. Six operating segments result from this classification. These six operating segments are aggregated into the three reportable segments HPS I (Health Provider Services I), HPS II (Health Provider Services II) and HCS (Health Connectivity Services).

The board of directors as Chief Operating Decision Maker evaluates the performance of the three reportable segments based on the reporting system and takes decisions on the allocation of resources. For the evaluation of the performance of the operating segments the board of directors uses „Earnings before interest, tax, depreciation and amortization" (EBITDA) as a key performance indicator, which represents the result of the individual segment.

	Segment I: Health Provider Services I (HPS I)			Segment II: Health Provider Services II (HPS II)			Segment III: Health Connectivity Services (HCS)		
EUR ´000	2015 Jan-Jun	2014** Jan-Jun	2014 Jan-Dec	2015 Jan-Jun	2014** Jan-Jun	2014 Jan-Dec	2015 Jan-Jun	2014** Jan-Jun	2014 Jan-Dec
Sales to third parties	203,713	182,760	375,335	36,928	36,567	79,784	29,800	28,999	60,069
Sales between segments	2,778	3,111	6,459	4,696	5,908	10,843	2,829	2,783	5,885
Segment Sales	206,491	185,872	381,794	41,624	42,474	90,627	32,630	31,782	65,954
thereof recurring sales	151,334	134,998	273,938	20,034	17,671	40,243	9,278	9,044	17,891
Capitalized inhouse services	1,008	865	1,728	1,228	695	1,903	369	447	735
Other income	798	680	4,459	835	536	7,322	347	824	1,049
Expenses for goods and services purchased	-39,485	-37,444	-81,192	-9,659	-8,416	-17,390	-10,581	-5,857	-16,597
Personnel costs	-76,016	-71,624	-145,442	-23,991	-26,283	-52,676	-12,263	-14,767	-25,689
Other expense	-32,878	-30,702	-64,969	-5,571	-5,272	-12,915	-5,541	-6,793	-14,479
EBITDA	59,918	47,647	96,378	4,466	3,734	16,871	4,961	5,636	10,973
in % of sales	29.4%	26.1%	25.7%	12.1%	10.2%	21.1%	16.6%	19.4%	18.3%
Depreciation of property, plants and tangible assets									
Amortization of intangible assets									
Impairment for financial assets									
EBIT									
Results from associates recognised at equity									
Financial income									
Financial expense									
EBT									
Taxes on income for the period									
Profit for the period from discontinued operations									
Consolidated net income for the period									
in % of sales									
CASH NET INCOME*									

* Cash net income: Cash net income before minority interests plus amortization on intangible assets except amortization on in-house capitalized software.
** The figures for January to June 2014 were adjusted due to a project reclassification from Other segment to HPS II and HCS segments in the consolidated financial statements 31. December 2014.

All other Segments			Total Segments			Consolidation adjustments			CompuGroup Medical Group		
2015 Jan-Jun	2014** Jan-Jun	2014 Jan-Dec	2015 Jan-Jun	2014** Jan-Jun	2014 Jan-Dec	2015 Jan-Jun	2014** Jan-Jun	2014 Jan-Dec	2015 Jan-Jun	2014** Jan-Jun	2014 Jan-Dec
40	85	-83	270,482	248,411	515,104	0	0	0	270,482	248,411	515,104
1,921	413	3,022	12,225	12,215	26,209	-12,225	-12,215	-26,209	0	0	0
1,962	498	2,939	282,706	260,626	541,313	-12,225	-12,215	-26,209	270,482	248,411	515,104
6	6	12	180,651	161,720	332,083	0	0	0	180,651	161,720	332,083
2,253	2,438	4,836	4,859	4,445	9,202	0	0	0	4,859	4,445	9,202
1,962	986	5,500	3,943	3,026	18,330	-2,491	-1,909	-5,609	1,452	1,117	12,721
-20	-32	-110	-59,746	-51,750	-115,290	6,923	6,786	16,058	-52,823	-44,963	-99,232
-4,774	-2,925	-9,221	-117,043	-115,599	-233,028	-8,775	-7,809	-14,784	-125,818	-123,407	-247,811
-5,746	-5,238	-14,604	-49,736	-48,004	-106,967	9,771	7,656	13,663	-39,965	-40,348	-93,304
-4,363	-4,273	-10,661	64,983	52,745	113,561	-6,796	-7,491	-16,881	58,186	45,254	96,680
			24.0%	21.2%	22.0%				21.5%	18.2%	18.8%
									-3,747	-3,952	-7,809
									-17,164	-16,023	-34,972
									0	0	0
									37,276	25,279	53,899
									13	596	19
									10,944	189	12,981
									-7,968	-9,606	-22,444
									40,265	16,458	44,455
									-15,218	-5,439	-20,339
									0	-141	-20
									25,047	10,878	24,096
									9.3%	4.4%	4.7%
									40,721	25,547	55,795

Additional Information

FINANCIAL CALENDAR 2015

Date	Event
09 October 2015	Analyst Conference
05 November 2015	Interim Report Q3 2015

SHARE INFORMATION

The CompuGroup share finished the second quarter with a closing price of EUR 31.39. The average closing share price increased by 14 percent from EUR 24.82 (Q1/2015) to EUR 28.38 (Q2/2015).

The highest quoted price during the quarter was EUR 32.86 on 24 June 2015 and the lowest price EUR 25.13 on 04 May 2015.

The trading volume of CompuGroup shares was 2.5 million shares during the second quarter, up 4 percent compared to the previous quarter. On average, the daily trading volume was approximately 41,000 shares (daily average in 2014: approximately 25,000).

By the end of June 2015, a total of eight analyst companies were covering the CompuGroup Medical share on a regular basis. The forecast price targets ranged from EUR 21.50 to EUR 32.00. Five analysts rated the shares a "buy" and three analysts as "hold" or "neutral".

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Management Responsibility Statement

To the best of our knowledge, and in accordance with applicable accounting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group over the remainder of the financial year.

Koblenz, 6 August 2015

CompuGroup Medical Aktiengesellschaft
The Management Board

Frank Gotthardt | Frank Brecher | Uwe Eibich | Christian B. Teig

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